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SUNCITY GROUP HOLDINGS LIMITED

太陽城集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1383)

ANNOUNCEMENT OF UNAUDITED QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2022 BY AN OVERSEAS LISTED SUBSIDIARY – SUNTRUST RESORT HOLDINGS, INC.

This announcement is made by Suncity Group Holdings Limited (the “**Company**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As of the date of this announcement, the Company beneficially owns 51% of the issued share capital of Suntrust Resort Holdings, Inc. (“**Suntrust**”, formerly known as Suntrust Home Developers, Inc.), an overseas listed subsidiary of the Company listed on The Philippine Stock Exchange, Inc. (“**PSE**”).

On 15 August 2022, Suntrust published its unaudited quarterly report for the three months ended 30 June 2022 (the “**2nd Quarterly Report**”). The 2nd Quarterly Report is prepared by Suntrust in accordance with Philippine Financial Reporting Standards (“**PFRS**”) and is published on the PSE’s website in compliance with applicable rules and regulations. The Company made an overseas regulatory announcement on 15 August 2022 regarding Suntrust’s publication of the 2nd Quarterly Report.

The consolidated financial information prepared by the Company is prepared and presented in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”). As a result, the condensed consolidated financial information in the 2nd Quarterly Report may not be directly comparable to the consolidated financial information prepared and published by the Company as a company listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Our shareholders and potential investors are advised that the consolidated financial information contained in the 2nd Quarterly Report prepared by Suntrust has not been prepared by the Company.

To provide equal and timely access of the information to the Company's shareholders and potential investors, set forth below are highlights of certain key financial information extracted from the 2nd Quarterly Report:

SUNTRUST RESORT HOLDINGS, INC. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021
(Amounts in Philippine Pesos (“PHP”))

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited) (Restated)*
COSTS AND EXPENSES		
Foreign exchange loss – net	410,973,250	67,622,585
Operating expenses	37,732,999	47,641,282
Finance costs	–	583,879
Tax expense	783,344	24,257,084
	<u>449,489,593</u>	<u>140,104,830</u>
OTHER INCOME (LOSS)		
Finance income	8,434	189,683
Gain on sale of investment in an associate	–	3,236,142
Equity in net loss of an associate	–	(3,236,142)
	<u>8,434</u>	<u>189,683</u>
NET LOSS	<u>(449,481,159)</u>	<u>(139,915,147)</u>
Loss Per Share		
Basic and Diluted	<u>(0.0620)</u>	<u>(0.0193)</u>

* Suntrust made a prior period adjustment which resulted in retrospective restatements of certain amounts as of and for the six months ended June 30, 2021 in the interim condensed consolidated statement of financial position, interim condensed consolidated statement of income, interim condensed consolidated statement of equity and interim condensed consolidated statement of cash flows.

Based on the management's assessment, the borrowings related to the construction of Suntrust's Main Hotel Casino were considered as specific borrowings. Accordingly, Suntrust capitalised the related interest expense of approximately PHP519.4 million, net of interest income of approximately PHP4.1 million, for the six months ended June 30, 2021.

SUNTRUST RESORT HOLDINGS, INC. AND ITS SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2022 AND DECEMBER 31, 2021
(Amounts in Philippine Pesos)

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,798,269,215	6,154,842,856
Prepayments and other current assets	860,736,379	<u>673,992,735</u>
Total Current Assets	<u>4,659,005,594</u>	<u>6,828,835,591</u>
NON-CURRENT ASSETS		
Prepayments and deposits for property and equipment	1,430,457,628	1,320,975,774
Property and equipment – net	11,717,896,913	8,854,531,816
Right-of-use assets – net	12,468,324,674	<u>13,681,077,372</u>
Total Non-current Assets	<u>25,616,679,215</u>	<u>23,856,584,962</u>
TOTAL ASSETS	<u>30,275,684,809</u>	<u>30,685,420,553</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade and other payables	624,314,854	791,998,618
Due to related parties	245,172,981	552,744,754
Loan from a related party	–	6,092,880,000
Lease liabilities	–	<u>22,261,174</u>
Total Current Liabilities	<u>869,487,835</u>	<u>7,459,884,546</u>

	June 30, 2022 (Unaudited)	December 31, 2021 (Audited)
NON-CURRENT LIABILITIES		
Convertible bonds payable	14,526,213,855	8,929,584,003
Lease liabilities	5,910,425,386	6,173,242,668
Other payables	352,128,674	233,873,773
	<u>20,788,767,915</u>	<u>15,336,700,444</u>
Total Non-current Liabilities		
	<u>21,658,255,750</u>	<u>22,796,584,990</u>
Total Liabilities		
EQUITY		
Capital stock	5,862,500,010	5,862,500,010
Convertible bonds equity reserve	5,752,006,144	4,592,867,070
Exchange reserve	89,920,159	70,984,578
Deficit	(3,086,997,254)	(2,637,516,095)
	<u>8,617,429,059</u>	<u>7,888,835,563</u>
Total Equity		
	<u>30,275,684,809</u>	<u>30,685,420,553</u>
TOTAL LIABILITIES AND EQUITY		

Reference is made to the announcements of the Company dated 6 July 2022 (the “**3.7 Announcement**”) and 8 August 2022 in relation to the unconditional mandatory cash offers of the Company. The Company is currently in the offer period (as defined in the Takeovers Code) with respect to the Offers (as defined in the 3.7 Announcement).

Pursuant to the Takeovers Code, the 2nd Quarterly Report constitutes a profit forecast under Rule 10 of the Takeovers Code and should be reported on by the Company’s financial adviser and auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosure of the 2nd Quarterly Report under Rule 13.09(2) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the SFO, the Company has encountered genuine practical difficulties in meeting the requirements of Rule 10.4 of the Takeovers Code. Accordingly, the 2nd Quarterly Report does not meet the standard required by Rule 10 of the Takeovers Code.

Under Rule 10.4 and Practice Note 2 of the Takeovers Code, if a profit forecast is made by the Company during an offer period and the forecast is published first in an announcement, it must be repeated in full, together with the reports from the Company's financial adviser and auditors on the said profit forecast, in the next document to be sent to the shareholders (the "**Shareholders' Document**"). However, as the unaudited interim results of the Group for the six months ended 30 June 2022 are expected to be published prior to the despatch of the Shareholders' Document, the requirements to report on the financial information set out in 2nd Quarterly Report under Rule 10.4 of the Takeovers Code will no longer apply in the event that the unaudited consolidated interim results of the Group for the six months ended 30 June 2022 are published which fall within the ambit of Rule 10.9 of the Takeovers Code before the despatch of Shareholders' Document. Otherwise the said financial information set out in the 2nd Quarterly Report will be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the Shareholders' Document.

Warnings: Shareholders and potential investors of the Company should note that the 2nd Quarterly Report has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code and does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company should therefore exercise caution in placing reliance on the 2nd Quarterly Report in assessing the merits and demerits of the Offers as disclosed in the 3.7 Announcement. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

By order of the Board
Suncity Group Holdings Limited
Chiu King Yan
Company Secretary

Hong Kong, 15 August 2022

As at the date of this announcement, the executive Directors are Mr. Lo Kai Bong, Mr. Au Chung On John and Mr. Manuel Assis Da Silva; and the independent non-executive Directors are Mr. Tou Kin Chuen, Dr. Wu Kam Fun Roderick and Mr. Lo Wai Tung John.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.